

# KEY BISCAYNE POLICE OFFICERS' & FIREFIGHTERS' RETIREMENT PLAN

Village Council Chambers  
560 Crandon Blvd., Key Biscayne, FL 33149  
REGULAR MEETING OF SEPTEMBER 24, 2009

**1. Call to Order** – Secretary Servando Parapar called the meeting of the Key Biscayne Police Officers' & Firefighters' Retirement Plan to order at 5:45 P.M.

## Roll Call

### Present

Servando M. Parapar  
Jose L. Monteagudo  
Dr. Robert L. Maggs

### Absent

Michael Haring  
Sherry L. Reed

**OTHERS PRESENT:** Burgess Chambers from Burgess Chambers & Associates, Robert J. Friedman, Esq., from Holland & Knight, Alison S. Bieler, Esq., from Cypen & Cypen, Attorneys for the Fund and Joan L. Wall, Administrator.

**2. Additions/Deletions to Agenda.** Details on the Division of Retirement conference were received after the agenda was posted and will be included under agenda item #7 b).

**3. Approval of Minutes for July 23, 2009.** Acting Chairman Parapar presented the minutes from the previous meeting for approval. Jose Monteagudo moved to approve. Dr. Maggs seconded the motion. The motion carried unanimously.

**4. Approval of Invoices.** Acting Chairman Parapar presented the invoices listed on the agenda for approval and payment. Jose Monteagudo moved to approve payment. Dr. Maggs seconded the motion. The motion carried unanimously, authorizing payment of the following:

Gabriel Roeder Smith & Company, Invoice #109135	\$ 1,673.00
SunTrust, Inv#'s 207502 and 207503, Qtr Ending 6/30/09	\$16,451.55
Joan L. Wall, Admin., 7/15 - 9/11/09; 41 ½ hrs, plus expenses	\$ 2,201.21
Holland & Knight, Invoices #2404590, 2414665 & 2426369	\$ 1,475.00

**5. Approval of Refund of Contributions.** Acting Chairman Parapar presented the refund of pension contributions as listed on the agenda for approval. Jose

Monteagudo moved to approve payment. Dr. Maggs seconded the motion. The motion carried unanimously, authorizing payment of the following:

F/F Hugo Alvarez, H/D 4/7/97, T/D 5/20/06, Pension Contributions \$60,793.68  
Less 20% WH Tax of \$12,158.74, For a Net Check of \$48,634.94

## **UNFINISHED BUSINESS**

### **6. a) Robert J. Friedman, Esq. from Holland & Knight**

- **5/28/09 Letter regarding Amendments related to the Pension Protection Act of 2006, the Heroes Earnings Assistance and Tax Relief Act of 2008 and Internal Revenue Service Notice 2009-98** Attorney Friedman stated that while our plan was not subject to ERISA as pension plans in the private sector, we are subject to the federal tax law requirements. For a long time the IRS did not pay much attention to public sector plans. About five years ago that changed and it was now necessary to be in compliance. Three or four years ago the IRS Determination Letter process also changed. It is now a staggered five year process based on the last digit of a plan's employer identification number. The draft ordinance prepared by his office was submitted by January 31, 2009 to the IRS and we were still waiting to hear from them. After receiving approval from the IRS, this document will be presented to the Village for enactment. Going forward it will also be necessary to update the IRS Determination Letter every five years. Attorney Friedman will continue to provide services as needed to the plan.
- **7/31/09 Letter** - This letter related to certain changes in the law that require or permit amendments to governmental plans such as the Pension Protection Act of 2006 and the HEART Act. After a thorough discussion Jose Monteagudo moved to direct Attorney Friedman prepare an ordinance that included these amendments in accordance with his letter of 7/31/09 for the Board of Trustees to review at a future meeting. Dr. Maggs seconded the motion. The motion carried unanimously. As this was beyond the scope of the original engagement with Attorney Friedman, he estimated the fee would be between \$1,500 and \$2,500.

**6. b) Gabriel Roeder Smith 8/14/09 Five Year Projection** (per GRS letter of 1/14/09, continued from 3/26, 5/28 and 7/23/09). The trustees continued the matter until Sherry Reed was present.

**6. c) Board Action – Adoption of expected rate of return for current year, each of next several years and long term** (continued from 3/26, 5/28 and 7/23/09). Based on input and advice from Burgess Chambers, Jose Monteagudo moved to adopt 2 ½% as the expected rate of return for the current year due to market conditions, 8 ½% as the expected rate of return for the next several years and the long term. Dr. Maggs seconded the motion. The motion carried unanimously.

**6. d) Final Review/Accept – Revised Summary Plan Description** (continued from 5/28 and 7/23/09) Attorney Bieler recommended the trustees review at their leisure before the November meeting the Revised Summary Plan Description as prepared by Attorney Farrand of Cypen & Cypen. If there are any questions, please send them to Joan Wall who will forward them to Attorney Bieler's attention. The matter was continued until the November meeting.

## **NEW BUSINESS**

**7. a) Burgess Chambers & Associates – Status of contract with ICMA.** Mr. Chambers distributed basic information for investment options to be selected by the members of the Firefighters' Share Plan and DROP Plan; 1) Fidelity Investments Fidelity Retirement Money Market, 2) Vantagepoint Core Bond Index II, 3) Vantagepoint Savings Oriented (balanced fund) and 4) Vantagepoint Conservative Growth. The 5<sup>th</sup> option, which did not have any basic information is Stable Value, a short term fixed annuity product. After discussion, Jose Monteagudo moved to approve these funds as an investment platform for the Firefighters' Share Plan. Dr. Maggs seconded the motion. The motion carried unanimously.

Jose Monteagudo moved to approve these funds as an investment platform for the Firefighters' DROP Plan. Dr. Maggs seconded the motion. The motion carried unanimously.

The trustees requested confirmation that the fee ICMA charges will be the same as the one charged the Village. Mr. Chambers stated he would get a definite answer tomorrow.

Attorney Bieler stated the default investment option should also be selected at this time for any member who failed to make a timely election. After discussion, Dr. Maggs moved to select the Stable Value for the Firefighters' Share Plan. Jose Monteagudo seconded the motion. The motion carried unanimously.

Dr. Maggs moved to select the Stable Value for the Firefighters' DROP Plan. Jose Monteagudo seconded the motion. The motion carried unanimously.

### **7. b) Schools & Conferences**

- **FPPTA**, Trustees' School, October 4<sup>th</sup> through 7<sup>th</sup>, 2009 at the Hyatt Coconut Point in Bonita Springs
- **Division of Retirement**, Pension Conference, October 21<sup>st</sup> through 23<sup>rd</sup>, 2009 at the Radisson Resort Orlando-Celebration in Kissimmee

### **7. c) Review/Approve DROP Forms**

- **DROP Beneficiary Form – Firefighters.** Attorney Bieler stated this form met with her approval.

- **Application/Agreement for Deferred Retirement Option Plan – Firefighters.** Attorney Bieler requested two paragraphs be deleted from this form.

Jose Monteagudo moved to approve both forms with Attorney Bieler's changes. Dr. Maggs seconded the motion. The motion carried unanimously.

**8. Trustees' Concerns.** Jose Monteagudo reported a workshop with Village Council and the fund's actuary might answer some of the new council members' questions. Dr. Maggs suggested asking the Mayor or the Village Council to appoint someone from the Council to attend future meetings and report back to the Council in the same fashion as Steve Liedman had done while he served on the council.

## **9. REPORTS**

- **Attorney** – None
- **Administrator** – The 2008 Annual Report was approved by the Division of Retirement on August 25, 2009
- **Other** – Jose Monteagudo was re-elected as trustee by the police department to serve another two years commencing on October 1, 2009. Also included with the agenda packets were the following:
  - SunTrust letter regarding the 2<sup>nd</sup> quarter
  - Commission Recapture Reports through 8/23/09
  - Securities Monitoring Reports for 8/7 and 9/3/09

**10. Input from Active/Retired Members** – None.

**11. Next Meeting Date/Adjournment.** Acting Chairman Parapar announced the November meeting was scheduled for 11/19/09. There being no further business before the board, Jose Monteagudo moved to adjourn at 7:40 P.M. Dr. Maggs seconded the motion. The motion carried unanimously.

Respectfully submitted,

Servando Parapar, Secretary